

**Troy F. McDonald**  
Joint Lines Specialist



1 Davis Farm Road  
Portland , Maine 04103

Tel: 207 797-1311  
Fax: 207 797-1392  
troy.f.mcdonald@verizon.com

October 4, 2005

Robert Conner – Director, Operations Services  
Unitil Service Corp.  
6 Liberty Lane West  
Hampton, NH 03842

**RE:    2005 Maintenance Tree Trim Invoices**

Dear Mr. Conner:

Based on our phone conversation back in June of this year I would like to say thank you for offering to work with me on the resolution of year 2005 maintenance trim invoicing. It was clear during our discussions that you and I share a common goal in ensuring that our companies resolve our differences in a professional manner and rebuild a positive working relationship which is to both our benefit.

I am writing this letter to inform you that I have completed a review of year 2005 maintenance trim invoicing in the Unitil-Capitol area for the period of January thru April which revealed results which are in need of clarification. I cataloged every hour of each day by reviewing all trim contractor timesheets and associated traffic control services to ensure the trimming services performed were a benefit to Verizon before acceptance and payment of the invoices received. Please note that all locations identified on the trim contractor timesheets were also reviewed in the field. What I found was that 47.8% of the amount invoiced to Verizon, totaling \$15,965.00, was for services not performed on Verizon's behalf.

The data analysis revealed that 47.8% of the invoicing that Unitil expected Verizon to pay was comprised of the following:

Attachment 1 Staff 3-44A Follow-Up

- Verizon was invoiced for locations that are a non-Verizon serving area.
- Verizon was invoiced for locations where Unitil's tree trim contractor trimmed out the electrical space only and left the communication space untrimmed.
- Verizon was invoiced for locations where maintenance trimming was not required for the communication space.
- Verizon was invoiced for locations where a Verizon communication cable was not attached to the pole line.

Following is a breakdown of the trim data in spreadsheet format for your review:

Comparative Data (Trim)	Jan	Feb	Mar	Apr	Total
<b>Total VZ Verified Hours vs Timesheet Hours</b>	<b>15.5%</b>	<b>52.5%</b>	<b>54.9%</b>	<b>64.6%</b>	
<b>Timesheet Hours Billed for Non-Verizon Serving Area</b>	<b>293.25</b>	<b>45.00</b>	<b>18.00</b>	<b>54.00</b>	<b>410.25</b>
<b>Timesheet Hours Billed for Sections NOT trimmed for Tel</b>	<b>275.25</b>	<b>304.50</b>	<b>225.00</b>	<b>269.00</b>	<b>1,073.75</b>
<b>Timesheet Hours Billed for Sections VZ NOT needing Trim</b>	<b>16.00</b>	<b>161.50</b>	<b>91.50</b>	<b>90.00</b>	<b>359.00</b>
<b>Timesheet Hours Billed for Sections VZ NOT Attached</b>	<b>36.00</b>	<b>17.00</b>	<b>0.00</b>	<b>0.00</b>	<b>53.00</b>

**Total Hours Charged to VZ for work not benefiting VZ: 1896.00**

**Total Hours Charged by Trim Contractor for all Work: 3969.00**

**Percentage of Hours on Timesheets not Benefiting VZ: 47.8%**

While reviewing all trim contractor timesheets and associated traffic control service I also tabulated the dollars billed to Verizon by Unitil and compared them to the locations that were verified as acceptable. I am including a copy of the tabulated data for your review.

Month	Total Hrs Labor	Total Hrs Equip	Total Trim \$\$\$	VZ Verified Labor Hrs	VZ Verified Equip Hrs	VZ Verified Total Cost	VZ Accepted 25% Trim Cost	Total Traffic Control \$\$\$	VZ Verified Traffic Cost	VZ Accepted 25% Traffic Cost	Total VZ Accepted Costs	Amount Invoiced by Unitil:
<b>Jan</b>	849.00	76.00	\$29,090.98	127.00	16.63	\$4,566.45	<b>\$1,141.61</b>	\$3,118.00	\$1,913.63	<b>\$478.41</b>	<b>\$1,620.02</b>	\$6,529.70
<b>Feb</b>	1215.00	36.00	\$40,029.12	642.10	14.40	\$21,428.36	<b>\$5,357.09</b>	\$5,953.50	\$2,152.50	<b>\$538.13</b>	<b>\$5,895.22</b>	\$8,984.86
<b>Mar</b>	675.00	0.00	\$22,338.09	370.50	0.00	\$12,343.21	<b>\$3,085.80</b>	\$9,040.50	\$1,747.73	<b>\$436.93</b>	<b>\$3,522.73</b>	\$8,300.26
<b>Apr</b>	1230.00	0.00	\$40,977.45	795.00	0.00	\$26,485.43	<b>\$6,621.36</b>	\$0.00	\$0.00	<b>\$0.00</b>	<b>\$6,621.36</b>	\$9,809.51
<b>Total:</b>											<b>\$17,659.33</b>	\$33,624.33

I believe it to be both professional and respectful to provide you with all the information I have to allow you time to internally review the issues that contributed to the invoicing of trim and associated traffic control services for which, based on my review, Verizon

should not have been expected to pay. I am sending this data to you asking for your response to the above data analysis.

After you have had a chance to review I would request a meeting between your company and Verizon at our office in Manchester to discuss your findings. As I understand there have been meetings between Unitil and Verizon at a higher level on other issues I would like our meeting to focus on year 2005 trim invoicing and process improvement going forward. At this point I would anticipate Lisa Thorne, Director - Verizon Regulatory and myself to be at the meeting. Please note that, due to the my findings with respect to the accuracy of the invoicing, it is my intention to freeze movement on all year 2005 maintenance trim invoicing, in both the Capitol and Seacoast areas, until we have an explanation of the invoicing.

In the meantime if you need clarification on any of the information provided in this letter please do not hesitate to contact me. You can reach me in my office at 207 797-1311 or on my cell phone at 207 650-9138 anytime. Again, I would like to take this opportunity to thank you for working with me on resolution of this issue.

Respectfully,

***Troy F. McDonald***

Troy F. McDonald  
Joint Lines Specialist – ME, NH & VT

Cc: Lisa Thorne, Director – Regulatory  
Paula Brown, VP – Regulatory  
Anthony Montani, Director – Engineering & Planning  
Ann Winkelman, Manager – Joint Lines  
Carol Leone, Joint Lines Specialist – MA/RI